

ANNUAL REPORT
OF THE
**DETROIT AND MACKINAC
RAILWAY COMPANY**

FOR THE FISCAL YEAR ENDED DECEMBER 31st
1947

ANNUAL REPORT
OF THE
**DETROIT AND MACKINAC
RAILWAY COMPANY**

FOR THE FISCAL YEAR ENDED DECEMBER 31st

1947



CHARLES ALLEN PINKERTON

1880 -:- 1947

In Memoriam

CHARLES ALLEN PINKERTON

1880 -:- 1947

Charles Allen Pinkerton, late President of the Detroit and Mackinac Railway Company, died very suddenly on December 18, 1947, at his home in East Tawas, Michigan.

Practically all of Mr. Pinkerton's business life was spent in railroad service. He entered the employ of the Flint and Pere Marquette Railway in 1896 and in 1899 accepted a position in the Car Service Department of the Detroit and Mackinac Railway. He advanced in different official capacities during his continuous 48 years of service with that company, being elected President and Chairman of the Board of Directors on February 14, 1941.

Mr. Pinkerton was truly a gentleman, a kindly, fatherly person of gentle dignity, devoted to his family, his work, and the interests of his company. His position brought him in contact with many railroad officials over the country and in the respect and esteem of all who knew him, none stood higher. His fine character and inspiring personality will forever live in the memory of his friends and associates.

Mr. Pinkerton was affiliated all of his life with Christ Episcopal Church and his fraternal connections included all Masonic bodies. In his passing his company has lost a faithful and highly trusted executive; his associates, a true and genial friend; his family, a devoted father; and his community, a dutiful citizen.

DETROIT AND MACKINAC RAILWAY COMPANY

DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

CHARLES A. PINKERTON, JR.	East Tawas, Mich.
WALTER F. KEERS	Brooklyn, N. Y.
STANLEY E. LAWFER	Allentown, Pa.
A. W. RALSTON	Bloomfield, N. J.
R. W. PIEPKORN	Alpena, Mich.

OFFICERS

CHARLES A. PINKERTON, JR., President and General Manager	Tawas City, Michigan
A. J. SEVENER, Auditor	Tawas City, Michigan
N. W. SALSBERY, Secretary and Treasurer	Tawas City, Michigan
R. W. HICKEY, Assistant to General Manager	Tawas City, Michigan
W. T. YAKE, General Freight Agent	Tawas City, Michigan
CARL R. HENRY, General Counsel	Alpena, Michigan

FISCAL AND TRANSFER AGENTS

J. P. Morgan & Company	New York, N. Y.
------------------------------	-----------------

REGISTRAR OF STOCK

Central Hanover Bank and Trust Company	New York, N. Y.
--	-----------------

ANNUAL MEETING

The last Tuesday in April is the date of Annual Meeting of Stockholders.

General Office	Tawas City, Michigan
----------------------	----------------------

JOE C. TREPANIER
CERTIFIED PUBLIC ACCOUNTANT
LAFAYETTE BUILDING
DETROIT

26

February 12, 1948

Detroit and Mackinac Railway Company,
Tawas City, Michigan

Gentlemen:

We have examined the Balance Sheet of the Detroit and Mackinac Railway Company as at December 31, 1947 and the related statements of Income and Surplus for the year then ended; have reviewed the system of internal control and the accounting procedures of the company, and have examined or tested accounting records of the company and other supporting evidence by methods and to the extent we deemed appropriate.

In our opinion, the accompanying Balance Sheet and related statements of Income and Surplus present fairly the financial position of the Detroit and Mackinac Railway Company at December 31, 1947, and the results of its operations for the year then ended, in conformity with principles of accounting prescribed by the Interstate Commerce Commission.

Very truly yours,

JOE C. TREPANIER
Certified Public Accountant

DETROIT AND MACKINAC RAILWAY COMPANY

Tawas City, Michigan
March 1, 1948

TO THE STOCKHOLDERS:

The year 1947 was a period of continuation of your company's extensive modernization program.

Delivery was made early in the year of 200 all-steel box cars and 25 all-steel gondola cars costing \$868,906, purchased on conditional sale contracts.

The following additional items of equipment needed to cover the increased transportation requirements have been acquired on a cash basis:

	<u>Total Cost</u>
35 Second-hand Steel Hopper Cars	\$49,188
4 U. S. Troop Sleepers (to be converted)	12,157
1 Set Diesel Locomotive Trucks	17,139

Equipment retirements during the year consisted of 22 freight cars, 2 passenger cars, 8 work cars and 9 steam locomotives. The 4 remaining steam locomotives were retired in January, 1948.

Fixed property improvements during the year consisted mainly of the following:

Installation of new Diesel repair and service facilities at the Tawas shops, including modern pits, improved lighting and a forced-air heating system.

Installation of additional fuel oil storage facilities at North Bay City, Tawas and Alpena.

Replacement of 6.6 miles of 50 lb. with 80 lb. rail on the Augres Branch, and 2.4 miles of 70 lb. with 80 lb. rail north of Cathro on the North Division.

Replacement of angle bars on 33 miles of 85 lb. track between Lincoln Junction and Bay City.

Operating revenues have again shown a substantial gain as indicated in the following simplified income statement.

INCOME:	Year 1947	Year 1946	Increase - I Decrease - D
Freight	\$1,647,403.80	\$1,295,587.72	\$351,816.08 I
Passenger	21,164.85	38,440.85	17,276.00 D
Other Transportation			
Revenues	140,692.81	81,944.15	58,748.66 I
Other Income	13,229.68	8,291.54	4,938.14 I
Total	\$1,822,491.14	\$1,424,264.26	\$398,226.88 I
OUTGO:			
Wages	\$ 704,202.10	\$ 665,636.87	\$ 38,565.23 I
Fuel	36,006.84	96,159.31	60,152.47 D
Material and Supplies	143,680.24	133,349.84	10,330.40 I
Railway Tax Accruals, other than Federal Income Tax ..	97,615.74	58,688.44	38,927.30 I
Rental of Equipment, debit balance	68,973.78	114,555.21	45,581.43 D
Interest on Debt, funded and unfunded	109,435.24	89,759.45	19,675.79 I
Depreciation Charges	139,949.19	62,009.13	77,940.06 I
Other Operating and Non- Operating Expenses	114,109.04	81,295.55	32,813.49 I
Total	\$1,413,972.17	\$1,301,453.80	\$112,518.37 I
Net Income before Federal Income Tax	\$ 408,518.97	\$ 122,810.46	\$285,708.51 I
Federal Income Tax - Accrual	139,776.34	24,843.52	114,932.82 I
Net Income	\$ 268,742.63	\$ 97,966.94	\$170,775.69 I

Your dollars of income for 1947 were earned and spent as follows:

EARNINGS		Cents	DISPOSITION		Cents
Products of Agriculture	5		Wages	39	
Animals and Products	1		Materials and Fuel	10	
Products of Mines	26		Taxes	13	
Products of Forests	5		Net Equipment Rents	4	
Products of Manufacturers	53		Depreciation	7	
Handling of Passengers	1		Other Expenses	6	
Other Transportation Revenue	8		Interest	6	
Other Service	1		Net Income	15	
Total		100	Total		100

A simplified balance sheet of your company as of December 31, 1947 is as follows:

ASSETS:	
Roadway Property and Equipment, less depreciation	\$7,416,401.12
Miscellaneous Property	41,216.79
Cash	547,755.27
Government Securities	75,000.00
Material and Supplies	151,878.54
Other Assets	188,659.14
Total	\$8,420,910.86
LIABILITIES:	
Equipment Obligations	\$1,235,681.82
Accounts and Wages Payable	328,245.22
Accrued Taxes	179,110.58
Other Liabilities	81,363.86
Bonded Indebtedness	1,909,000.00
	\$3,733,401.48
CAPITAL STOCK AND SURPLUS:	
Capital Stock	\$2,950,000.00
Surplus	1,737,509.38
Total	\$8,420,910.86

During the past seven years your company was under the direction of Mr. C. A. Pinkerton, who was elected president February 14, 1941 and continued in that capacity until his death on December 18, 1947. He spent many years in the transportation field and witnessed the progress of railroading from wood burner locomotives through to the modern Diesel engines.

Your Directors acknowledge with pride and sincere appreciation the efforts of every member of your company's organization. It will be the continued aim of your Management to better serve the communities through which we operate, and to conduct its business with ever improving efficiency and to the best interest of its stockholders.

By order of the Board of Directors.

CHARLES A. PINKERTON, JR.
President and General Manager

DETROIT AND MACKINAC RAILWAY COMPANY

Tawas City, Mich., Feb. 25, 1948

MR. C. A. PINKERTON, JR., PRESIDENT,
DETROIT AND MACKINAC RY. CO.
TAWAS CITY, MICH.

Dear Sir:

I herewith submit statements of the General Accounts and tables showing the result of operations of the Detroit and Mackinac Railway Company for the fiscal year ended December 31, 1947, as follows:

TABLE A—Condensed General Balance Sheet.

TABLE B—Income Account.

TABLE C—Particulars of Bonded Debt.

TABLE D—Comparative Financial Statement.

TABLE E—Revenues and Expenses by Years.

TABLE E-1—Net Revenue from Railway Operations and Tax Accruals by Years.

TABLE F—Details of Operating Expenses.

TABLE G—Mileage.

TABLE H—Classifications of Freight Tonnage, 1946 and 1947.

TABLE I—Statistics for Years 1946 and 1947.

TABLE J—Equipment.

TABLE K—Yard Tracks, Sidings and Spurs built and taken up during year.

Respectively,

A. J. SEVENER,
Auditor

TABLE A

DETROIT AND MACKINAC RAILWAY COMPANY

CONDENSED GENERAL BALANCE SHEET AS OF DECEMBER 31, 1947, AND COMPARISON WITH
DECEMBER 31, 1946.

ASSETS

<i>Investments:</i>		Increase	Decrease
Investment in Road and Equipment	\$8,000,828.32	\$678,729.33	\$163,049.05
Less Accrued Depreciation	577,615.44		
Net Investment	<u>7,423,212.88</u>	841,778.38	
Less Donations and Grants	6,811.76	9,216.26	
Miscellaneous Physical Property	<u>41,216.79</u>		
Total Investment Less Depreciation	\$7,457,617.91	850,994.64	
<i>Current Assets:</i>			
Cash	547,755.27	22,339.29	
Temporary Cash Investments	75,000.00	15,000.00	5,480.00
Special Deposits	18,840.00		
Net Balances Receivable from Agents and Conductors	55,688.97		19,749.33
Miscellaneous Accounts Receivable	54,753.76	22,995.83	
Material and Supplies	151,878.54	18,706.98	
Accrued Accounts Receivable	52,814.05	41,476.08	
Other Current Assets	<u>147.57</u>	141.06	
	956,878.16	95,429.91	
<i>Deferred Assets:</i>			
Working Fund Advances	591.54		
<i>Unadjusted Debits:</i>			
Prepayments	6,690.61		308.15
Other Unadjusted Debits	<u>867.36</u>		20,768.54
	5,823.25		21,076.69
	<u>\$8,420,910.86</u>	925,347.86	

TABLE A—(Continued)

LIABILITIES			
		Increase	Decrease
<i>Capital Stock:</i>			
Common Stock	\$2,000,000.00		\$ 6,000.00
Preferred Stock	950,000.00		266,000.00
	<u>\$2,950,000.00</u>		
<i>Long Term Debt:</i>			
First Lien Bonds	1,153,000.00		
Mortgage Bonds	756,000.00		
Equipment Obligations	1,235,681.82	\$647,980.14	
	<u>3,144,681.82</u>	375,980.14	
<i>Current Liabilities:</i>			
Traffic and Car Service Balances Payable	173,206.69	46,955.64	14,186.77
Audited Accounts and Wages Payable	123,897.66		
Miscellaneous Accounts Payable	30,408.62	1,573.21	
Interest Matured Unpaid	19,400.00		4,920.00
Unmatured Interest Accrued	6,363.33		906.67 ^a
Accrued Accounts Payable	732.25		717.81
Other Current Liabilities	50,925.88	35,975.40	
Taxes Accrued	39,334.24	10,182.79	
Federal Income Tax Payable	139,776.34	95,193.51	
	<u>584,045.01</u>	169,149.30	
<i>Deferred Liabilities:</i>			
	4,673.80		988.00
<i>Unadjusted Credits:</i>	.85		14.46
<i>Corporate Surplus:</i>			
Earned Surplus-Appropriated	1,850,448.40	381,220.88	
Earned Surplus-Debit Balance	112,939.02	381,220.88	
	<u>1,737,509.38</u>		
	<u>\$8,420,910.86</u>		\$925,347.86

TABLE B
DETROIT AND MACKINAC RAILWAY COMPANY

INCOME ACCOUNT FOR YEAR ENDING DECEMBER 31, 1947
COMPARED WITH YEAR ENDING DECEMBER 31, 1946

OPERATING REVENUES:

	1947	Increase	Decrease
Freight	\$1,647,403.80	\$351,816.08	
Passenger	21,164.85		\$17,276.00
Baggage	81.28		.58
Mail	25,600.00		10,871.14
Express	18,530.15	12,651.39	
Other Passenger Train	1,070.19	348.89	
Milk	8,179.49	1,410.25	
Switching	46,341.47	31,069.14	
Station Privileges	9.79		86.47
Parcel Room	1.00		
Storage — Freight	1,094.66	730.64	
Demurrage	25,490.95	17,951.85	
Telegraph and Telephone	32.77		13.04
Rents of Buildings			
and Other Property	5,795.51	134.72	
Miscellaneous	8,458.60	5,417.58	
Joint Facility Cr.	6.95	5.44	
Total Operating Revenues	\$1,809,261.46	\$393,288.74	

OPERATING EXPENSES:

Maintenance of Way and Structures \$	399,152.55	\$120,626.70	
Maintenance of Equipment	214,205.34	5,256.48	
Traffic	16,101.79	6,086.19	
Transportation	414,357.71		50,427.69
General	88,998.97	16,204.08	

Total Operating Expenses \$1,132,816.36 \$ 97,745.76

Net Operating Revenue	\$ 676,445.10	\$295,542.98	
Railway Tax Accruals	237,392.08	153,009.78	

Railway Operating Income \$ 439,053.02 \$142,533.20

Income from Lease of			
Road and Equipment	1,961.47		34.83
Miscellaneous Rent Income	4,873.33	178.96	
Miscellaneous Physical Property	1,512.21	923.02	
Income from Unfunded			
Securities and Accounts	2,120.50	1,768.07	
Miscellaneous Income	190.00	5.00	
Equipment Rents Dr.	68,973.78	45,581.43	
Joint Facility Rents	2,572.17	2,097.92	

Total Income \$ 383,308.92 \$193,052.77

Miscellaneous Rents	\$ 72.00	\$ 72.00	
Miscellaneous Tax Accruals	881.42		86.74
Interest on Funded Debt	109,423.52	19,665.28	
Interest on Unfunded Debt	11.71	10.51	
Miscellaneous Income Charges	1,555.63		5.97
Delayed Income Debits	2,622.00	2,622.00	

Net Income \$ 268,742.63 \$170,775.69

TABLE B—(Continued)

DETROIT AND MACKINAC RAILWAY COMPANY

PROFIT AND LOSS ACCOUNT

Debit Balance, January 1, 1947	\$494,159.90	
Credit Balance Transferred from Income		\$268,742.63
Miscellaneous Credits		113,070.11
Miscellaneous Debits	591.86	
Debit Balance Carried to Balance Sheet		112,939.02
	<u>\$494,751.76</u>	<u>\$494,751.76</u>

TABLE C

PARTICULARS OF BONDED DEBT

Class of Bonds	Amount Outstanding 12/31/47	INTEREST		Interest Accrued During Year	Principal Due
		Rate	When Payable		
First Lien	\$1,153,000.00	4%	June and December	\$46,360.00	June 1, 1995
Mort.	756,000.00	4%	June and December	33,783.00	June 1, 1995
	<u>\$1,909,000.00</u>			<u>\$80,143.00</u>	

TABLE D

DETROIT AND MACKINAC RAILWAY COMPANY

COMPARATIVE FINANCIAL STATEMENT

CURRENT ASSETS	Dec. 31, 1945	Dec. 31, 1946	Dec. 31, 1947
Cash	\$ 219,965.81	\$ 525,415.98	\$ 547,755.27
Special Funds	74,820.00	84,320.00	93,840.00
Due from Station Agents and Others	92,368.25	107,196.23	110,442.73
Material and Supplies	216,670.45	133,171.56	151,878.54
Prepaid and Deferred Charges	29,176.81	18,934.78	53,553.16
Other Unadjusted Debits	1,110.53	19,901.18	5,823.25
Totals	\$ 634,111.85	\$ 888,939.73	\$ 963,292.95
LESS CURRENT LIABILITIES			
Audited Vouchers and Pay Rolls	\$ 70,014.93	\$ 138,084.43	\$ 123,897.66
Accrued Taxes, Interest and Traffic Balances	173,599.52	282,473.08	464,821.15
Totals	\$ 243,614.45	\$ 420,557.51	\$ 588,718.81
Net Current Assets	\$ 390,497.40	\$ 468,382.22	\$ 374,574.14
CAPITAL ASSETS			
Cost of Road	\$5,892,235.16	\$5,871,637.23	\$5,817,876.62
Cost of Equipment	1,056,098.13	1,450,461.76	2,182,951.70
Miscellaneous Physical Property	32,085.53	32,000.53	41,216.79
Investments in Affiliated Companies	1,267.26		
Other Investments	1,344.92		
Totals	\$6,983,031.00	\$7,354,099.52	\$8,042,045.11
REPRESENTING			
Bonds Issued—First Lien	\$1,159,000.00	\$1,159,000.00	\$1,153,000.00
Bonds Issued—Mortgage	1,022,000.00	1,022,000.00	756,000.00
Stock Issued—Common	2,000,000.00	2,000,000.00	2,000,000.00
Stock Issued—Preferred	950,000.00	950,000.00	950,000.00
Equipment Obligations		587,701.68	1,235,681.82
Reserves	950,009.24	740,664.49	577,615.44
Grants in Aid of Construction	6,811.76	6,811.76	6,811.76
Other Unadjusted Credits	27,928.79	15.31	.85
Appropriated Surplus	1,850,448.40	1,850,448.40	1,850,448.40
Earned Surplus	* 592,669.79	* 494,159.90	* 112,939.02
Totals	\$7,373,528.40	\$7,822,481.74	\$8,416,619.25

*Deficit

TABLE E

DETROIT AND MACKINAC RAILWAY COMPANY

REVENUES AND EXPENSES BY YEARS

REVENUES									
	1943	Per	1944	Per	1945	Per	1946	Per	1947
	Amount	Cent	Amount	Cent	Amount	Cent	Amount	Cent	Amount
Freight	\$716,129.35	73.39	\$ 786,312.68	77.38	\$ 833,680.38	80.19	\$1,295,587.72	91.50	\$1,647,403.80
Passenger	151,294.97	15.51	138,745.11	13.65	110,827.93	10.68	38,440.85	2.72	21,164.85
Mail	42,085.43	4.32	40,594.61	4.00	41,202.98	3.94	36,471.14	2.58	25,600.00
Express	23,095.24	2.37	23,861.03	2.35	20,295.71	1.92	5,878.76	.41	18,530.15
Milk	7,994.71	.82	8,338.45	.81	7,667.22	.77	6,769.24	.47	8,179.49
Other Sources	35,112.11	3.59	18,352.73	1.81	25,980.70	2.50	32,825.01	2.32	88,383.17
Total	\$975,711.81	100 %	\$1,016,204.61	100 %	\$1,039,654.92	100 %	\$1,415,972.72	100 %	\$1,809,261.46
EXPENSES									
Maintenance of Way and Structures	\$325,038.15	34.96	\$ 218,350.27	25.12	\$ 217,438.29	25.38	\$ 278,525.85	26.92	\$ 399,152.55
Maintenance of Equipment	199,064.18	21.34	210,797.22	24.25	189,786.19	22.23	208,948.86	20.19	214,205.34
Traffic	10,194.74	1.10	9,876.79	1.14	9,003.57	1.05	10,015.60	.96	16,101.79
Transportation	352,043.61	37.74	383,181.26	44.08	392,072.63	45.85	464,785.40	44.91	414,357.71
General	45,309.14	4.86	47,088.16	5.41	47,094.78	5.49	72,794.89	7.02	88,998.97
Total	\$932,649.82	100 %	\$ 869,293.70	100 %	\$ 855,395.46	100 %	\$1,035,070.60	100 %	\$1,132,816.36
Net Operating Income	\$ 43,061.99	4.42	\$ 146,910.91	14.45	\$ 184,259.46	17.69	\$ 380,902.12	26.90	\$ 676,445.10
Taxes	80,802.63	8.28	51,865.66	5.10	52,580.63	5.00	84,382.30	5.95	237,392.08
Net Operating Income Less Taxes *\$ 37,740.64		*3.86	\$ 95,045.25	9.35	\$ 131,678.83	12.69	\$ 296,519.82	20.94	\$ 439,053.02
*Deficit									

TABLE E-1

DETROIT AND MACKINAC RAILWAY COMPANY

RAILWAY OPERATING REVENUES, EXPENSES AND TAX ACCRUALS BY YEARS

Year	Revenues	Expenses	Net Operating Revenue	Railway Tax Accruals	Net Operating Revenue Less Tax Accruals
1934	\$ 632,904.36	\$ 514,332.73	\$118,571.63	\$ 1,733.27	\$116,838.36
1935	654,505.91	548,623.57	105,882.34	15,247.76	90,634.58
1936	803,484.39	605,305.79	198,178.60	21,118.51	177,060.09
1937	885,445.46	694,643.86	190,801.60	35,134.67	155,666.93
1938	877,856.23	630,599.65	247,256.58	34,889.55	212,367.03
1939	876,809.06	643,663.46	233,145.60	43,708.16	189,437.44
1940	849,680.71	623,629.04	226,051.67	41,753.93	184,297.74
1941	845,559.26	643,292.35	202,266.91	41,775.56	160,491.35
1942	1,189,479.04	728,314.96	461,164.08	53,262.32	407,901.76
1943	975,711.81	932,649.82	43,061.99	80,802.63	†37,740.64
1944	1,016,204.61	869,293.70	146,910.91	51,865.66	95,045.25
1945	1,039,654.92	855,395.46	184,259.46	52,580.63	131,678.83
1946	1,415,972.72	1,035,070.60	380,902.12	84,382.30	296,519.82
1947	1,809,261.46	1,132,816.36	676,445.10	237,392.08	439,053.02

†Deficit

TABLE F

DETROIT AND MACKINAC RAILWAY COMPANY

OPERATING EXPENSES

1947 COMPARED WITH 1946

MAINTENANCE OF WAY AND STRUCTURES

	Amount	Increase	Decrease
Superintendence	\$ 27,717.20	\$ 6,058.64	
Roadway Maintenance	22,210.04	11,110.58	
Bridges, trestles, and culverts	1,796.19		\$1,195.53
Ties,	70,764.91	35,656.29	
Rails	15,010.31	3,457.39	
Other Track Material	31,002.04	16,791.57	
Ballast	1,546.05	1,012.24	
Track Laying and Surfacing	113,340.45	16,583.74	
Fences, Snowsheds, and Signs	11,293.53	7,275.73	
Station and Office Buildings	3,354.70	105.09	
Roadway Buildings	163.34		64.45
Water Stations	149.43	Cr.	1,580.49
Fuel Stations	376.02		421.11
Shops and Enginehouses	17,228.25	13,689.42	
Telegraph and Telephone Lines	7,061.90	1.13	
Signals and Interlockers	524.16	302.73	
Road Property—Depreciation	34,207.94	2,159.36	
Retirements—Road	9,536.56	3,401.62	
Roadway Machines	5,542.31	395.18	
Dismantling Retired Road Property	1,178.88	291.20	
Small Tools and Supplies	4,773.19	715.33	
Removing Snow, Ice and Sand	17,282.78	6,141.72	
Public Improvements, Maintenance	1,862.59	720.55	
Injuries to Persons	714.95	178.16	
Insurance	901.58	169.23	
Stationery and Printing	142.04		217.69
Other Expenses	33.38		1,450.10
Maintaining Joint Tracks, Yards and Other Facilities—Dr.	968.22	118.28	
Maintaining Joint Tracks, Yards and Other Facilities—Cr.	1,231.53	Cr. 779.11	
Total	\$399,152.55	\$120,626.70	

TABLE F—(Continued)

MAINTENANCE OF EQUIPMENT

	Amount	Increase	Decrease
Superintendence	\$ 29,378.34	\$ 4,887.37	
Shop Machinery	1,994.86		\$ 170.92
Power Plant Machinery	103.51		739.26
Power Plant Machinery—Depreciation	3,670.00	82.12	
Dismant. Shop and Power Plant Mach'y	352.04	352.04	
Steam Locomotives—Repairs	1,086.79		42,746.69
Other Locomotives—Repairs	23,638.27	20,673.38	
Freight-train Cars—Repairs	32,451.19	5,513.72	
Passenger-train Cars—Repairs	13,711.35		12,394.18
Work Equipment—Repairs	4,848.87	2,015.82	
Miscellaneous Equipment—Repairs	730.29		577.63
Equipment—Retirements	1,014.18		837.53
Equipment—Depreciation	102,071.25	75,698.58	
Injuries to Persons	591.50		104.04
Insurance	2,133.37	1,497.81	
Stationery and Printing	129.82		242.74
Other Expenses	3,180.40	Cr.	47,327.78
Maintaining Joint Equipment—Dr.	569.59	345.67	
Maintaining Joint Equipment—Cr.	1,089.48	Cr. 669.26	
Total	\$214,205.34	\$ 5,256.48	

TRAFFIC

Superintendence	\$ 11,064.44	\$ 5,712.09	
Advertising	1,590.50	462.60	
Traffic Associations	771.69		210.34
Insurance	209.38	172.18	
Stationery and Printing	2,465.78		50.34
Total	\$ 16,101.79	\$ 6,086.19	

TRANSPORTATION—RAIL LINE

Superintendence	\$ 33,377.26	\$ 6,877.63	
Dispatching Trains	5,524.93		\$ 240.90
Station Employees	89,463.26	10,618.38	
Wei'g Inspec'n and Demurrage Bureaus	813.20	41.48	
Station Supplies and Expenses	4,401.11	505.74	
Yardmaster and Yard Clerks	6,789.84		562.74
Yard Conductors and Brakemen	20,545.00		396.69
Yard Motormen	14,653.46	11,508.34	
Yard Enginemen	517.34		10,763.71
Yard Switching Fuel	5,840.65		6,619.77
Water for Yard Locomotives	73.40		709.22
Lubricants for Yard Locomotives	629.17	206.38	
Other Supplies for Yard Locomotives	290.00		20.05
Enginehouse Expenses—Yard	7,135.16		282.81
Yard Supplies and Expenses	714.45		71.63

TABLE F—(Continued)

	Amount	Increase	Decrease
Train Enginemen	\$ 973.80		\$ 43,580.48
Train Motormen	50,535.66	41,996.73	
Train Fuel	30,166.19		53,532.70
Water for Train Locomotives	841.88	Cr.	3,612.81
Lubricants for Train Locomotives	3,083.83	149.44	
Other Supplies for Train Locomotives	1,688.30	171.06	
Enginehouse Expenses—Train	26,687.17		11,740.29
Trainmen	64,183.85		539.53
Train Supplies and Expenses	13,892.50	1,249.50	
Operating Sleeping Cars			32.12
Signal and Interlocking Operation	501.21	280.46	
Drawbridge Operation	6,733.95	346.03	
Telegraph and Telephone Operation	3,359.06		819.50
Stationery and Printing	3,999.25	817.66	
Other Expenses	4,345.08	103.89	
Insurance	3,458.80	3,115.04	
Clearing Wrecks	987.96	416.33	
Damage to Property	586.66	359.11	
Damage to Live Stock on Right of Way	105.14		425.22
Loss and Damage—Freight	12,473.50	6,791.60	
Loss and Damage—Baggage	36.00	36.00	
Injuries to Persons	1,016.25		7.56
Opera'g Joint Yards and Terminals—Dr. ..	10,920.46	1,438.14	
Opera'g Joint Yards and Terminals—Cr. ..	12,218.65	Cr. 3,273.22	
Opera'g Joint Tracks and Facilities—Dr. ..	385.11	79.63	
Opera'g Joint Tracks and Facilities—Cr. ..	3,469.72	Cr. 305.31	
Total	\$414,357.71		50,427.69

GENERAL

Salaries and Expenses of General Officers ..	\$ 18,474.28	\$ 2,227.98	
Salaries and Exp's of Clerks and Attend's. ..	42,502.19	4,687.51	
General Office Supplies and Expenses	898.59	366.15	
Law Expenses	5,271.16	531.78	
Insurance	238.17	112.87	
Pensions	320.79		57.52
Stationery and Printing	5,770.33	3,230.76	
Other Expenses	15,523.46	5,104.55	
Total	\$ 88,998.97	\$ 16,204.08	

SUMMARY

	Amount	Increase	Decrease
Maintenance of Ways and Structures	\$ 399,152.55	\$120,626.70	
Maintenance of Equipment	214,205.34	5,256.48	
Traffic	16,101.79	6,086.19	
Transportation	414,357.71		50,427.69
General	88,998.97	16,204.08	
Total Operating Expenses	\$1,132,816.36	\$ 97,745.76	

TABLE G

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF MILEAGE, DECEMBER 31, 1947

MAIN LINE

North Bay City to Cheboygan	195.10
One-half Undivided Ownership—Foss to North Bay City13

BRANCHES

Omer to AuGres	7.95
Alabaster Junction to Alabaster	4.18
Hillman Junction to Emerson	10.38
Rogers City Junction to Rogers City	14.33
Total	36.84
Total Main Line and Branches	232.07
Yard Tracks and Sidings	53.82
Total, all Tracks (miles)	285.89

TABLE H

DETROIT AND MACKINAC RAILWAY COMPANY

CLASSIFICATION OF FREIGHT TONNAGE

	1946 Tons	Per Cent	1947 Tons	Per Cent
<i>Products of Agriculture:</i>				
Grain	6,464	.7	7,597	.6
Flour	3,483	.3	3,053	.3
Other Mill Products	191		263	
Hay and Straw	3,885	.4	1,842	.2
Potatoes	23,516	2.3	15,540	1.3
Fruits and Vegetables	6,289	.6	6,892	.6
Sugar Beets	6,480	.7	3,704	.3
Other Products of Agriculture	1,684	.2	420	
Totals	51,992	5.2	39,311	3.3

TABLE H—(Continued)

	1946 Tons	Per Cent	1947 Tons	Per Cent
<i>Animals and Products:</i>				
Livestock	1,383	.1	1,302	.1
Wool	165		105	
Hides and Leather	5,223	.5	4,906	.4
Other Animals and Products	972	.1	1,961	.2
Totals	7,743	0.7	8,274	0.7
<i>Products of Mines:</i>				
Anthracite Coal	784		655	.1
Bituminous Coal	50,799	5.1	43,250	3.6
Coke	2,634	.2	2,125	.2
Clay, Gravel, Sand and Stone	436,709	44.0	598,284	50.6
Other Products of Mines	2,428	.2	2,480	.2
Totals	493,354	49.5	646,794	54.7
<i>Products of Forests:</i>				
Lumber, Shingles and Lath	18,037	1.8	19,902	1.7
Pulp Wood	54,849	5.5	38,572	3.3
Other Products of Forests	5,819	.5	8,297	.7
Totals	78,705	7.8	66,771	5.7
<i>Manufacturers and Miscellaneous:</i>				
Refined Petroleum and its Products ..	41,690	4.3	41,503	3.5
Sugar	334		440	
Rails and Fastenings	120		476	
Bar and Sheet Iron, Structural Iron, and Iron Pipe	13,666	1.4	20,396	1.7
Castings, Machinery and Boilers	5,874	.5	7,731	.7
Cement	19,911	2.0	52,704	4.5
Brick and Artificial Stone	4,933	.5	3,896	.3
Lime and Plaster	46,921	4.7	42,405	3.6
Building Paper and Prepared Roofing Material	4,275	.4	5,326	.5
Beverages	175		802	.1
Fertilizers (all kinds)	8,143	.8	6,787	.6
Newsprint and Printing Paper	27,602	2.9	29,847	2.5
Canned Goods (all canned food products)	781	.1	2,013	.2
Paper Bags and Wrapping Paper	1,063		1,088	.1
Paperboard, Pulpboard and Wallboard	9,731	1.0	101,684	8.6
Other Manufacturers and Miscellaneous	165,692	16.7	88,351	7.5
Totals	219,646	33.7	405,449	34.4
All L. C. L. Freight	15,209	1.5	14,780	1.2
Grand Total, Carload and L. C. L. Traffic	997,914	100 %	1,181,439	100 %

TABLE I

DETROIT AND MACKINAC RAILWAY COMPANY

FREIGHT STATISTICS

	1946	1947
Number tons revenue freight carried	997,914	1,181,439
Number tons non-revenue freight carried ..	23,797	23,882
Total number tons of freight carried	1,021,711	1,205,321
Number revenue tons carried one mile	85,235,000	105,342,000
Number all tons carried one mile	87,194,691	107,047,911
Number revenue tons carried one mile, per mile of road	373,837	462,026
Number tons all freight carried one mile, per mile of road	382,432	469,509
Average distance haul of one ton revenue freight (miles)	85.4	89.1
Average distance haul of one ton all freight (miles)	85.3	88.8
Total Freight Revenue	\$1,295,588	\$1,647,404
Average amount received for each ton of freight	1.2983	1.39
Average receipts, per ton, per mile01520	.01563
Freight revenue, per mile of road	\$ 5,682.40	\$ 7,224.82
Freight revenue, per train mile	9.36	11.98
Average number of revenue tons, per train mile	615.57	765
Average number of all tons, per train mile	629.72	778
Average number of all tons, per loaded car mile	33.3	37.7
Average number of cars, per train mile	31.0	31.5

PASSENGER STATISTICS

Number of passengers carried	24,022	9,494
Number of passengers carried one mile	1,654,850	781,719
Number of passengers carried one mile, per mile of road	7,843	3,705
Average distance each passenger carried (miles)	68.89	82.3
Passenger revenue	\$ 38,441	\$ 21,166
Average amount received from each passenger	1.60	2.23
Average receipts, per passenger, per mile0232	.0271
Total passenger train earnings	\$ 88,364.	\$ 74,626.
Passenger earnings, per mile of road	418.79	353.68
Passenger earnings, per train mile63	.82
Average number of passengers, per train mile	11.9	9.6

OPERATING STATISTICS

Gross revenue from operation	\$1,415,972.72	\$1,809,261.46
Gross revenue from operation, per mile of road	6,210.41	7,935.35
Operating expenses	1,035,070.60	1,132,816.36
Operating expenses, per mile of road	4,539.79	4,968.49
Net Operating Revenue	380,902.12	676,445.10
Net operating revenue, per mile of road	1,670.62	2,966.86
Ratio of expenses to earnings	73.1	62.6

TABLE J

DETROIT AND MACKINAC RAILWAY COMPANY

EQUIPMENT

Locomotives:

	1946	1947
Steam — Passenger	4	
Steam — Freight	8	4
Steam — Switching	1	
Diesel — Road Switchers	5	5
Diesel — Switching	1	1
Gasoline — Switching	1	1
Totals	20	11

Passenger Cars:

Coaches	3	4
Cafe	1	1
Parlor	1	1
Gas Electric Combination Passenger, Baggage and Mail	2	2
Combination Passenger and Baggage	3	2
Combination Baggage and Mail	2	2
Baggage and Express Cars	7	7
Express Refrigerators	9	9
Totals	28	28

Freight Cars:

Box	26	214
Flat	12	11
Coal Cars	22	71
Caboose Cars	8	8
Troop Sleepers		4
Totals	68	308

In Company's Service:

Officers	1	1
Ballast	3	3
Derrick Cars	1	
Flangers	11	11
Jordon Spreader	1	1
Industrial Crane	1	1
Other Road Cars	30	26
Totals	48	43

Summary:

Total Number of Locomotives Owned	20	11
Total Number of Cars Owned	144	379

TABLE K

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF TRACKS BUILT AND TAKEN UP DURING YEAR 1947

TRACKS BUILT

Track Order	YARD TRACKS, SIDINGS, AND SPURS	Location	Feet
3187	Extend track 57 for Habitant Shops	Alpena	208
3220	Extend track 169 for E. P. Brady & Co.	Big Cut	2263
3222	Extend track 46A for E. P. Brady & Co.	Big Cut	24
3223	Build Crossover Track 169 A	Big Cut	248
3245	Lengthen Sundry AuGres Branch tracks		180
3249	Build open siding 3 A	AuGres	1382
			<hr/> 4305

TRACKS TAKEN UP

Track Order	YARD TRACKS, SIDINGS, AND SPURS	Location	Feet
3212	Shorten track 179	Onaway	1370
3229	Retire west switch end track 187	Onaway	107
3257	Retire track 92	Tawas Beach	610
3258	Retire track 168	Bunton	419
3259	Retire track 171	Millersburg	1040
3261	Retire tracks 40A, 241, 242A, 243, and 244	Cheboygan	1075
3263	Retire track 1	Liske	564
3288	Retire track O-A	Orchard	895
3290	Retire track 176	Case	825
3311	Retire back end track 239	Cheboygan	215
3316	Retire part of tracks 31 and 32	North Bay City	59
3324	Retire East End track 5	AuGres	213
3344	Retire balance track 16	Tawas Shop	82
3357	Retire back end track 12	Tawas Shop	69
3358	Retire part of turntable tracks	Alpena	822
			<hr/> 8365

SUMMARY

Tracks taken up	8365 feet
Tracks built	4305 feet
	<hr/>
Net Retirement	4060 feet, .769 miles

